

INCOME COMPARISON ACROSS ALL PROGRAMS

Aug 2003

IIIF

IIIF income limits vary between programs. 1931 FM has a gross and a net test. Some programs are based on a percentage of FPL* and others on the **BMS. Those programs with income limits based on the BMS, are allowed to spenddown if the countable income exceeds the limit. For an income limit comparison, see the Program Comparison Table.

CHIP

To be eligible for CHIP, countable gross household income must be equal to or less than 200% of the FPL*.

IIID

IIID income limits are based on 100% of FPL*. When income of an ABD person does not exceed 100% of FPL, no spenddown is owed. When income exceeds 100%, they spend down to 100% of the FPL.

*FPL -Federal Poverty Limit **BMS-Basic Maintenance Standard

INCOME IN-KIND 401

IIIF

If the client worked for the in-kind benefit, it is earned income in-kind and the value of the benefit is countable as earned income.

If the client did not perform any service for the in-kind benefit, it is unearned income in kind and not countable.

CHIP

If the client worked for the benefit, it is earned income in-kind and countable as earned income.

If the client did not perform any service for the benefit, it is unearned income in kind and not countable.

IIID

If the client worked for the benefit, it is earned income in-kind and countable as earned income except for certain services defined in 403-11.

If the client did not perform any service for the benefit (or services as in 403-11), it is unearned income in kind. The only unearned income in-kind that is countable is for food and shelter. Food and shelter cost assistance provided for an ABD recipient may be countable as unearned income in-kind. This income is subject to PMV or Presumed Maximum Value. **It does not apply to Waiver recipients.** For more information, see Volume IIID , Section 403-11.

UNEARNED INCOME

For exclusions of unearned income, see Section 403-4.

When the entitlement amount differs from the payment amount:

IIIF	CHIP	402-3	IIID
When there is a voluntary reduction from the entitlement such as insurance premiums, savings or garnishments to pay owed obligations, count the gross amount.	When there is a voluntary reduction from the entitlement, count the gross.		Count the gross amount. Do not deduct any amounts withheld due to overpayment or court-ordered support.
When the reduction is involuntary, such as for an overpayment, count only the amount available to the client.	When the reduction is involuntary, count only the amount available to the client as income. If the income is from the Civil Service and the reduction is being sent to a divorced spouse, count only the amount available to the client.		Exception: Use the gross minus a reduction if the client was receiving Medicaid at the time and the overpaid amount was used to compute the spenddown. See 403-3 pg 1.

VA BENEFITS

IIIF

403-2

Count the amount of the VA benefit for each person that belongs to that individual. You may need to contact the VA to find out the proportions.

If the money is for a dependent child of a veteran or surviving spouse that receives the money for the dependent child, count the allocation as the income of the child.

CHIP

402-2

Count the amount of the VA benefit for each person that belongs to that individual. You may need to contact the VA to find out the proportions.

If the dependent lives with the veteran or a surviving spouse who is receiving the benefit and is included in the household size, the entire amount of the benefit counts as income to the household.

If the dependent does not live with the veteran or surviving spouse the income still counts unless:

1. The dependent has applied to VA for the payment to be made directly to them,
2. The dependent has received a written denial from the VA, and
3. The child is not receiving their portion directly from the veteran or surviving spouse

Verify the denial from VA and the living arrangement.

IIID

402-2

Count:

VA benefits based on need, service related compensation and disability payments. The \$20 disregard is not allowed from VA needs-based payments.

The \$90 payment to a NH resident for QMB programs.

DO NOT count:

Aid and Attendance or housebound payments.

Payments for unusual medical expenses

Count a VA benefit for a child as income for the child. See 403-2 pg2

Count the portion of a payment made for a dependent as income for that person.

RENTAL PROPERTY 403-5

Rental property may be earned or unearned depending on the program type. For earned income see page 9.

IIIF

If the client manages the property, the income is earned. It does not matter how much time is spent. If the income is earned see 405-3.

If the income is unearned and the income is less than community standards allow \$30 deduction and count the remaining as unearned income.

If the income is not less than community standards, allow the greater of \$30 or expenses including taxes, attorney fees, upkeep and repairs, and utilities.

CHIP

Count income from the rental or lease of property after the following is deducted:

- * taxes and attorney fees needed to make income available
- * upkeep and repair costs necessary to maintain the current value
- * utility costs paid by the owner
- * interest portion of a loan or mortgage secured by the rental property

402-9

IIID

Rental income is only earned if it is an integral part of another self-employment business or the client provides facilities or services not usually provided in connection with rental property. These extras must be more than is necessary to maintain, protect or improve the property and must affect the amount of rent charged.

Deduct the cost of producing the income such as property taxes or insurance, interest payments on the mortgage but not the principal, incidental repairs but not improvements, advertising, landscaping, and utilities. Do not allow depreciation. Do not allow deductions for increases in value but do allow deductions to maintain value. (Such as repairing a roof vs replacing the roof.)

CHILD SUPPORT PAYMENTS 403-6

IIIF

Disregard \$50 per month of current child support or alimony received. The disregard does not apply to arrearage. Count the income for the child that it is intended for. Payments for an arrearage are income to the person to whom they are paid.

CHIP

All child support payments to the household are countable income. No disregards are allowed.

402-1

IIID

Disregard 1/3 of all current child support payments received by a disabled child. Post the entire child support on the child. PACMIS will compute the disregard. This disregard does not apply to non-disabled children in the household. The full child support amount paid to a non-disabled child will reduce the allocation for that child when deeming income from a parent.

Child support paid as an arrearage (owed for past years or months) is counted as income to the parent or guardian who receives it. It is not counted as the child's income and does not qualify for the 1/3 deduction.

STUDENT INCOME 403-8

IIIF

Do not count any type of educational assistance or college work study. For VA educational funds, do not count the student's portion of the payment. Any amount intended for family members of the student is countable.

CHIP

Do not count any type of educational income for CHIP. If the income is from the VA intended for the family members of a student, that income is countable.

402-10

IIID

Undergraduates- Exempt grants: BEOG, SEOG: Loans: NDSL and SSIG and work study programs. Also exempt BIA funds. Do NOT count any loans as income.

Graduate Students -Educational income is countable for graduate students.

For all students deduct expenses from countable educational income if the income depends on school attendance and the student pays the expenses. Allowable expenses: tuition, fees, books, equipment, special clothing needs, travel to and from school (.21per mile) and child care necessary for school.

INFREQUENT AND IRREGULAR INCOME 403-8

IIIF

Do not count if it is received irregularly and infrequently and does not exceed \$30 per household member in one quarter. Do not count any funds until the total exceeds \$30 per person. Count only the amount which exceeds the \$30 limit.

CHIP

Eligibility is based on what income is expected to be received in the 12 month certification period. If income is received sporadically, annualize the income if the amount is certain. If the amount cannot be determined, do not count it.

415-1

IIID

Do not count if it is received irregularly and infrequently and does not exceed \$20 in one month. If more than \$20 is received, count the entire amount. Infrequently means once a quarter from the same source. If the income creates an understated liability, complete an OP referral.

SALES CONTRACTS 403-9

IIIF

The interest portion of payments received from a sales contract is countable income in the month received even if the contract is for an exempt source. Payments towards the principal are proceeds and are a conversion of an asset. Interest can fluctuate monthly, request a copy of the amortization schedule. For asset information see 521-18.

CHIP

The interest portion of payments received is countable income. An amortization table should be used to determine monthly interest amounts.

402-5

IIID

The interest portion of payments received from a sales contract is countable income in the month received even if the contract is for the sale of an exempt home. Payments toward the principal are proceeds and are a conversion of an asset and do not count as income. Interest can fluctuate monthly, request a copy of the amortization schedule.

UNUSUAL INCOME 403-12

IIIF

Annuities

Count monthly payments from an annuity as income in the month received.

Royalties

Count royalties for the use of natural resources as income in the month received.

CHIP

Annuities

402-7

Count monthly payments from an annuity as income.

Cash Contributions and Gifts 402-8

Do not count income that is not expected to be received on a regular basis. Do not count the money, if there is a written agreement requiring them to repay the money received. If the income is expected to continue, count the income.

Deposits to Joint Accounts 402-11

Deposits to joint accounts are countable income unless the client can

IIID

prove that the deposits are not income.

Annuities

Count monthly payments from an annuity as income in the month received.

Royalties

Count royalties for the use of natural resources as income in the month received. Other royalties may be considered earned income, see Section 405-2.

EARNED INCOME

INCOME RECEIVED FROM A BUSINESS (SELF-EMPLOYMENT)

IIIF	405-2	CHIP	410-2	IIID	405-3
Sole Proprietorship General Partnerships and LLP S Corporations		Sole Proprietorship General Partnerships and LLP S Corporations		Sole Proprietorship General Partnerships and LLP S Corporations	
A limited partner is not self-employment; therefore, earned income is counted as wages and dividends are counted as unearned income.		A limited partner is not self-employment; therefore, earned income is counted as wages and dividends are counted as unearned income.		A limited partner is not self-employment; therefore, earned income is counted as wages and dividends are counted as unearned income.	
Corporation income, other an S Corp, is not self-employment income. Earned income is counted as wages and dividends or profit sharing as unearned income.		Corporation income, other an S Corp, is not self-employment income. Earned income is counted as wages and dividends or profit sharing as unearned income.		Corporation income, other an S Corp, is not self-employment income. Earned income is counted as wages and dividends or profit sharing as unearned income.	
For income to be self employment, the person must be actively engaged in the day to day activities of the business.		For income to be self employment, the person must be actively engaged in the day to day activities of the business.		For income to be self employment, the person must be actively engaged in the day to day activities of the business.	
The net countable income is the gross income minus allowable deductions or 40% of actual verified expenses if greater than 40%.		The net countable income is the gross income minus allowable deductions or 40% of actual verified expenses if greater than 40%.		The net countable income is the gross income minus allowable deductions or 40% of actual verified expenses if greater than 40%.	
Use annualized income whenever possible.		Use annualized income whenever possible.		Use annualized income whenever possible.	

DEPENDENT CHILD INCOME

IIIF

405-4

Do not count the earned income of a child if the child is in school full time or in school part time and employed under 100 hours month or in JTPA.

The earned income of a dependent child must be counted in the gross test for 1931 Medicaid but is not counted in the net test if the child meets the requirements listed above.

CHIP

410-8

Exclude the earned income of a child under the age of 19 unless the child is the head of household. If the child is living with their spouse and the spouse is the head of household, the earned income of the child is excluded. If the child is the head of household, their income counts.

IIID

405

Exclude the first \$1290 in monthly earned income for a child that is a student regularly attending school. The exclusion cannot exceed \$5200 in a calendar year. The child must be under 18 years of age and not be the head of the household.

This deduction applies to income of a non-disabled child when deeming income from a parent or spouse.

MWI-Earned or unearned income of a dependent child is not counted.

LUMP SUM PAYMENTS 407

IIIF

Lump sums are windfalls or retroactive payments of earned or unearned income. EITC payments are not lump sums and are not countable.

Count all lump sums that are not in the list below:

- *any kind of lump sum that is from an excluded income source
- * insurance settlement for destroyed property
- * SSI
- * Reimbursements from SSA or the Department of Health for Medicare premiums

See 403-9 for policy on how to count contract income.

CHIP

Lump sums are windfalls or retroactive payments of earned or unearned income. EITC payments are not lump sums and are not countable.

Any kind of lump sum that is from an excluded source is also excluded. Count all lump sums that are not in the list below:

- * insurance settlements
- * SSA reimbursements for Medicare premiums
- * money received for medical expenses if the money will be used to pay those expenses

Count the net amount of all lump sum payments that are not listed above IF they will be received during the 12 month certification period and if the amount can be determined. The net amount is the amount left after excluding legal fees expended to make the funds available, payments for past medical bills, funeral or burial expenses if the lump sum was intended to cover those expenses.

IIID

Lump sums are windfalls or retroactive payments of earned or unearned income. EITC payments are not lump sums and are not countable.

Any kind of lump sum that is from an excluded source is also excluded. Count all lump sums that are not in the list below:

- * insurance settlement for destroyed property
- * SSI
- * SSA or Department of Health reimbursements for Medicare premiums
- * Death benefits that are used for the expenses of the deceased.